

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") between Environmental Research Center, Inc. ("ERC") and Best Bar Ever, Inc., ("BBE") is effective on the date on which ERC sends to BBE a fully executed Agreement ("Effective Date"). ERC and BBE are referred to individually as a "Party" and collectively as the "Parties." The Parties agree as follows:

1. This matter arises out of the Notice of Violation of California Health & Safety Code §25249.5, et seq. (also known as "Proposition 65") that ERC served on BBE on November 14, 2017 (the "Notice") with regard to the following perishable food bar product ("Covered Product")

1) **The Best Bar Ever – Cookie Dough Flavor, UPC 855246005162 (65 grams) and UPC 855246005186 (86 grams).**

2. The Parties enter into this Agreement in order to fully resolve all claims, demands, and allegations regarding the Notice and for the purpose of avoiding prolonged litigation. Nothing in this Agreement shall be construed as an admission against interest of the Parties of any fact, issue of law, or violation of law, nor shall compliance with this Agreement constitute or be construed as an admission against interest by the Parties of any fact, issue of law or violation of law. Nothing in this Agreement or any document referred to shall be construed as giving rise to any presumption or inference of admission or concession against interest by the Parties as to any fault, wrongdoing or liability. This Section shall not diminish or otherwise affect the obligations, responsibilities, and duties of the Parties under this Agreement.

3. In consideration of the following covenants and conditions contained in this Agreement, the Parties have provided the releases as set forth in Section 6 below:

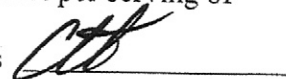
a. Beginning on the Effective Date, BBE shall not manufacture for sale in the State of California, "Distribute into the State of California", or directly sell in the State of California, any Covered Product which exposes a person to a "Daily Lead Exposure Level" of more than 0.5 micrograms of lead per day when the maximum recommended dose is taken as directed on the Covered Product's label, unless each such unit of the Covered Product bears the following warning statement:

WARNING: Consuming this product can expose you to chemicals including lead which is [are] known to the State of California to cause [cancer and] birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov/food.

As used in this Agreement, the term "Distribute into the State of California" shall mean to directly ship a Covered Product into California for sale in California or to sell a Covered Product to a distributor that BBE knows will sell the Covered Product in California.

i. For the purposes of this Agreement, "Daily Lead Exposure Level" shall be measured in micrograms, and shall be calculated using the following formula:
micrograms of lead per gram of product, multiplied by grams of product per serving of

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the product (using the largest serving size recommended on the product label), multiplied by servings of the product per day (using the largest number of servings in a recommended dosage for a single day appearing on the product label), which equals micrograms of lead exposure per day, excluding any "Natural Occurring Lead," as that phrase is defined below.

ii. The phrase "cancer and" must be included in the warning only if the maximum recommended daily dose causes the Daily Lead Exposure Level to be more than fifteen (15) micrograms of lead when taken as directed on the Covered Product's label.

b. The warning statement set forth in Section 3a. shall be prominent and displayed securely on either the unit packaging, the label, or by a sticker securely affixed to the Covered Product with such conspicuousness, as compared with other words, statements, or designs so as to render it likely to be read and understood by an ordinary individual purchasing or using the Covered Product. The warning appearing on the label or packaging shall be at least the same size as the largest of any other health or safety warnings correspondingly appearing on the label or container, as applicable, or such product, and the word "WARNING" shall be in capital letters and in bold print. If the warning appears on a Covered Product label it will be bounded in a box. The warning will not contain any statement indicating that the Proposition 65 listed chemicals in the Covered Product are naturally occurring. If there are amendments to the "clear and reasonable" safe harbor warning regulations applicable to dietary supplements which are effective after the Effective Date, then BBE may use any form of applicable, compliant safe harbor warning allowed under such amended regulations.

c. BBE represents to ERC that it has made a determination to discontinue sales of the Covered Product because these perishable food bars have posed challenges in their manufacture, formulation, ingredient utilization, logistical distribution, limited shelf life and otherwise, which have resulted in uneconomical products. BBE may, after the Effective Date, attempt to reformulate the Covered Product perishable food bars which overcome these challenges.

d. If BBE after the Effective Date sells the Covered Product and is not providing a warning for the Covered Product, then BBE shall arrange, for at least three (3) consecutive years (if it continues to sell that Covered Product each of those three (3) years), and at least once per year, commencing one year from the Effective Date, for the lead testing of five (5) randomly-selected samples of five separate lots (or such maximum number of lots available if five lots are not available) of that Covered Product to confirm whether the Daily Lead Exposure Level is more or less than 0.5 micrograms of lead when the maximum recommended dose is taken pursuant to the directions on the Covered Product's label. BBE shall include the lot identification numbers of the lots tested and provide the test results to ERC as set forth herein. BBE shall test samples in the form intended for the end-user to be distributed or sold to California consumers.

e. If BBE is successful with reformulation for the Covered Product which reduces

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the Daily Lead Exposure Level to 0.5 micrograms of lead per day or below when taken pursuant to the maximum recommended dose as directed on the Covered Product's label, the Parties agree that the Covered Product may be offered for sale in California without the warning stated in Section 3a. If BBE is successful with reformulation of the Covered Product, BBE shall notify ERC and provide the applicable test results for the Covered Product that document this change in formulation at least fifteen (15) days prior to BBE manufacturing for sale in the State of California, or directly selling in the State of California, the Covered Product without the warning set forth in section 3a or 3.b. This notification needs only to be provided to ERC once.

i. Pursuant to Sections 3d. and 3e., any such testing shall be performed by an independent third-party laboratory certified by the California Environmental Laboratory Accreditation Program or an independent third-party laboratory that is registered with the United States Food & Drug Administration. The method of selecting samples for testing must comply with the regulations of the Food & Drug Administration as set forth in Title 21, Part 111, Subpart E of the Code of Federal Regulations, including Section 111.80(c). Testing for lead shall be performed using Inductively Coupled Plasma-Mass Spectrometry (ICP-MS) achieving a limit of quantification of less than or equal to 0.010 mg/kg or any other testing method agreed upon in writing by the Parties. Nothing in this Agreement shall limit BBE's ability to conduct or require that others conduct additional testing of the Covered Product, including raw materials used in their manufacture.

ii. Pursuant to Sections 3d. and 3e. BBE shall retain copies of its test data from the date testing commenced until at least the fourth anniversary of the Effective Date. If BBE relies on any test data to sell a Covered Product without a warning as set forth in section 3.a or 3.b, then BBE shall provide the relevant test data to ERC at least fifteen (15) days before manufacturing for sale in the State of California, or directly selling in the State of California. The requirement to provide relevant test data to ERC shall cease after three (3) years from the Effective Date.

iii. In calculating the Daily Exposure Level, BBE shall be allowed to deduct the amount of lead which is deemed naturally occurring in the chocolate ingredients in any Covered Product. This naturally occurring amount is 1.0 ppm for cocoa powder, 1 ppm for chocolate liquor, and 0.1 ppm for cocoa butter. BBE also shall be allowed to deduct 0.8 micrograms per gram of elemental calcium in a Covered Product, up to a maximum naturally occurring calcium lead amount of 1.2 micrograms of lead if there is 1500 milligrams of elemental calcium in a Covered Product. Collectively, the naturally occurring chocolate and calcium lead amounts specified herein are the "Naturally Occurring Lead."

4. BBE shall make a total settlement payment of \$90,000.00 ("Total Settlement Payment") by wire transfer to ERC's escrow account by no later than December 27, 2017 ("Due Date"), for which ERC will give BBE the necessary account information. The Total Settlement Payment shall be allocated as follows:

a. \$73,945.24 shall be considered a civil penalty pursuant to California Health and Safety Code §25249.7(b)(1). ERC shall remit 75% (\$55,458.93) of the civil penalty to the

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Office of Environmental Health Hazard Assessment ("OEHHA") for deposit in the Safe Drinking Water and Toxic Enforcement Fund in accordance with California Health and Safety Code §25249.12(c). ERC will retain the remaining 25% (\$18,486.31) of the civil penalty.

b. \$826.82 shall be considered a reimbursement to ERC for its costs incurred as a result of bringing this matter to BBE's attention and negotiating a settlement.

c. \$5,625.00 shall be considered reimbursement of attorney fees for Michael Freund, \$330.00 shall be considered reimbursement of attorney fees for Ryan Hoffman and \$9,272.94 shall be considered reimbursement for ERC's in-house legal fees.

d. In the event that BBE fails to remit the Total Settlement Payment owed under Section 4 of this Settlement Agreement on or before the Due Date, BBE shall be deemed to be in material breach of its obligations under this Agreement. ERC shall provide written notice of the delinquency to BBE via electronic mail. If BBE fails to deliver the Total Settlement Payment within five days from the written notice, the Total Settlement Payment shall become immediately due and payable and shall accrue interest at the statutory judgment interest rate provided in the Code of Civil Procedure section 685.010. Additionally, BBE agrees to pay ERC's reasonable attorney fees and costs for any efforts to collect the payment due under this Agreement.

5. Except as expressly set forth in Section 4, the Parties shall bear their own costs, expenses, and attorneys' fees related to the Notice.

6. Binding Effect; Claims Covered and Released

a. ERC, on behalf of itself and its respective owners, principals, shareholders, officers, directors, employees, agents, parents, subsidiaries, successors, assigns, and legal representatives fully releases BBE and its respective owners, equity holders, principals, shareholders, officers, directors, employees, agents, parents, subsidiaries, predecessors, successors, assigns, and legal representatives and each upstream supplier of ingredients or manufacturer and each downstream entity to whom they sell or sold, distributed or gave away any Covered Product from any and all claims for violations of Proposition 65 up through and including the Effective Date based on exposure to lead from the Covered Product as set forth in the Notice.

b. ERC, on behalf of itself and its respective owners, principals, shareholders, officers, directors, employees, agents, parents, subsidiaries, successors, assigns, and legal representatives, and BBE and its respective owners, equity holders, principals, shareholders, officers, directors, employees, agents, parents, subsidiaries, predecessors, successors, assigns, and legal representatives, further waive and release any and all claims they may have against each other for all actions or statements made or undertaken in the course of seeking or opposing enforcement of Proposition 65 in connection with the Notice up through the Effective Date.

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c. It is possible that other claims not known to the Parties arising out of the facts alleged in the Notice and relating to the Covered Product will develop or be discovered. ERC on behalf of itself only, on the one hand, and BBE, on behalf of itself only, on the other hand, acknowledge that this Agreement is expressly intended to cover and include all such claims up through and including the Effective Date, including all rights of action therefore, and further acknowledge that the claims released this section may include unknown claims, and nevertheless waive California Civil Code section 1542 as to any such unknown claims. California Civil Code section 1542 reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

ERC on behalf of itself only, on the one hand, and BBE, on the other hand, acknowledge and understand the significance and consequences of this specific waiver of California Civil Code Section 1542.

7. Nothing in this Release is intended to apply to any occupational or environmental exposures arising under Proposition 65, except as otherwise provided in this Agreement, nor shall it apply to any of BBE's products other than the Covered Product.

8. Nothing herein shall be construed as diminishing BBE's continuing obligations to comply with Proposition 65.

9. In consideration of the covenants and agreements herein, ERC, on its own behalf only, covenants not to sue BBE, or to issue any Notice of Violation of California Health & Safety Code § 25249.5, et seq., or to bring suit with respect to any BBE branded product that is a snack bar, meal replacement, nutritional bar or similar bar, for a period of two years from the Effective Date, excepting enforcement of this Agreement.

10. All notices required to be given to either Party to this Agreement by the other shall be in writing and sent to the following agents listed below via first-class mail. Courtesy copies via email may also be sent.

FOR ENVIRONMENTAL RESEARCH CENTER, INC.:

Chris Heptinstall
Executive Director
Environmental Research Center
3111 Camino Del Rio North, Suite 400
San Diego, CA 92108
Email: chris_erc501c3@yahoo.com

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With a copy to:
Michael Freund, Esq.
1919 Addison Street, Suite 105
Berkeley, California 94704
Email: freund1@aol.com.

FOR BEST BAR EVER INC.

Michael Clay
Chief Executive Officer
Best Bar Ever, Inc.
P.O. Box 37146
Raleigh, NC 27627
Email: mike@bestbarever.com

With a copy to:
Judith M. Praitis
Sidley Austin LLP
555 West Fifth Street
Los Angeles, CA 90013
Email: jpraitis@sidley.com.

11. After executing this Agreement, ERC will submit to the California Attorney General a Report of Settlement. In addition, ERC will provide to the California Attorney General a signed copy of this Agreement. The Parties acknowledge and agree that the Parties shall provide as much information as is reasonably requested by the California Attorney General regarding the Notice and this Agreement.
12. This Agreement contains the entire agreement between the Parties with regard to settlement of the Notice, and supersedes all prior or contemporaneous agreements or understandings, written or oral, with regard to the Notice as set forth in this Agreement. This Agreement may be amended or modified as to injunctive terms only in whole or in part at any time only by an agreement in writing executed by the Parties.
13. This Agreement shall be binding upon and shall inure to the benefit of the Parties.
14. No inference, assumption or presumption shall be drawn, and no provision of this Agreement shall be construed against any of the Parties, based upon the fact that one of the Parties and/or one of the Parties' attorneys prepared and/or drafted all or any portion of this Agreement. It is conclusively presumed that the Parties participated equally in the preparation and drafting of this Agreement.
15. If any provision, term, or section of this Agreement is found to be invalid, illegal, or unenforceable, then all remaining provisions, terms, or sections shall continue in full force and effect and remain binding on the Parties. If any provision, term, or section of this Agreement is

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determined to be unenforceable, then such provision, term, or section may be modified so that the unenforceable provision, term, or section is enforceable to the greatest extent possible.

16. This Agreement shall be deemed to have been entered into in the State of California, and governed and interpreted by the laws of the State of California, regardless of the physical locations of the individuals executing this Agreement at the time of execution.

17. The Parties acknowledge that they have a right to consult an attorney and they have consulted their attorneys with respect to the terms and conditions of this Agreement or by signing this Agreement hereby acknowledge they have made the decision not to consult with an attorney regarding the Notice. The Parties further acknowledge that they fully understand this Agreement and the effect of signing and executing this Agreement.

18. Any legal action to enforce this Agreement shall be brought in the county of Alameda of the State of California. ERC shall be entitled recover its reasonable attorneys' fees that are necessary and required to enforce the agreement pursuant to California Code of Civil Procedure section 1021.5.

19. This Agreement may be signed in counterparts, and each counterpart, as well as any facsimile, e-mail, copy of this Agreement, or any other counterpart, shall be deemed to be an original.

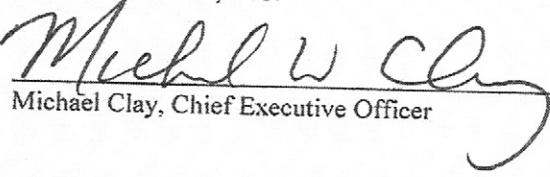
20. Each of the individuals who execute this Agreement represents and warrants they have the authority to execute this document and bind the respective Parties to the terms and conditions of this Agreement, and have read, understand, and agree to all the terms and conditions in this Agreement.

21. This Agreement shall terminate in three (3) years from the Effective Date.

DATED: 12/20/17

BEST BAR EVER, INC.

By:


Michael Clay, Chief Executive Officer

DATED: 12/20/17

ENVIRONMENTAL RESEARCH CENTER,
INC.

By:


Chris Hopmann, Executive Director

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